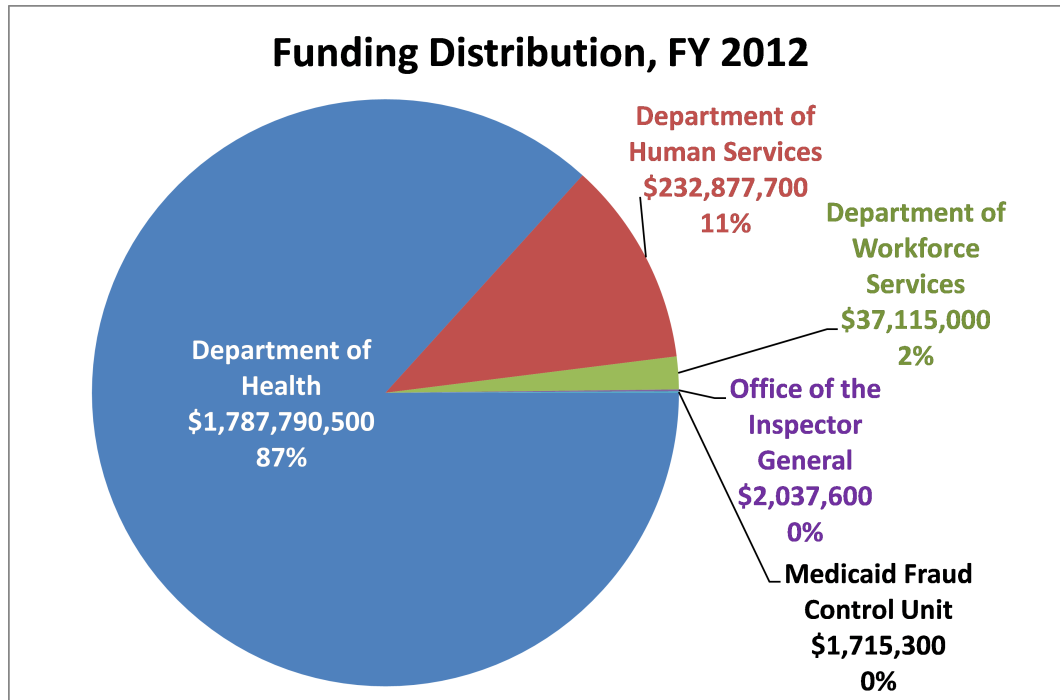


Fiscal Highlights

Medicaid Used 23% of all the State's General Fund in FY 2012 - Russell T. Frandsen

In FY 2012, the Medicaid program in Utah spent \$484,499,800 General Fund and \$5,322,300 Education Fund (\$2,061,536,100 total funds). The \$484,499,800 represents 23% of all the \$2,122,199,500 General Fund spending statewide in FY 2012. Funding flowed through five state agencies in the following amounts:



Of the \$2,061,536,100 total funds spent on Medicaid in FY 2012, 5% or \$97,766,200 went for State administration. The other 95% or \$1,963,769,900 paid for medical services. The federal government provided 69% or \$1,424,559,100 of the total funding with the remaining \$636,977,000 or 31% from matching funds. Of the \$636,977,000 in matching funds, the State General Fund provided \$484,499,800 or 77%, the Education Fund another \$5,322,300 or 1%, and other entities provided the remaining \$147,154,900. Generally these entities are seeding money because those entities are receiving the federal match.

There are four general categories of offsets to Medicaid expenditures, which totaled \$356,813,500 in FY 2012. Most offsets result in the Medicaid program avoiding a payment, but in some cases the Medicaid program uses the money collected to offset the total expenditures. The list below includes a discussion on each offset:

- Third party liability - Medicaid charged/collected \$244,936,700 from third parties (Medicare, private insurance, or parties causing medical injury to Medicaid clients). In FY 2012 about 1/4 of Medicaid clients had another medical insurance.

-
- Pharmacy rebates - the State collected \$90,003,000 in rebates from volume discounts which the program used to offset expenditures.
 - Client contributions - Medicaid clients contributed \$13,743,800 to participate in the Medicaid program. The list below includes a discussion of three categories in which client contributions take place:
 - Spenddown Income - clients spent down or paid \$6,922,200 of their income to participate in the Medicaid program. This spenddown allows the client to qualify for Medicaid by lowering their income via qualified medical expenses.
 - Co-payments - these are reduced from the reimbursement paid to providers and represented \$6,519,500 or 0.3% of all expenditures in FY 2012. Sixty-nine percent of the co-payments came from pharmacy co-payments.
 - Primary Care Network Premiums - clients paid annual premiums totaling \$302,100 to participate in this program.
 - Office of Inspector General and Attorney General Collections - these two agencies recovered \$8,130,000 in overpayments to providers.

For more information please visit the following:

- <http://le.utah.gov/interim/2013/pdf/00000649.pdf>
- http://health.utah.gov/medicaid/pdfs/annual_report2012.pdf